

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7499**

**BILL NUMBER:** SB 354

**NOTE PREPARED:** Jan 4, 2007

**BILL AMENDED:**

**SUBJECT:** Civil Action for Unfair Claim Settlement Practices.

**FIRST AUTHOR:** Sen. Waterman

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a person to file a civil action for damages related to an unfair claims settlement practice. The bill specifies the manner in which payment of certain damages must be made.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** See *Explanation of Local Expenditures* below.

**Explanation of Local Expenditures:** The bill may result in more civil actions being filed in local courts. A person that suffers a pecuniary loss as a result of the commission of a unfair claim settlement practice may bring a civil action against the person that caused the loss for an amount not to exceed two times the actual damages; costs related to the civil action; and reasonable attorney's fees.

If a plaintiff in a civil action obtains a judgment that exceeds the amount of the plaintiff's actual damages, the defendant against which the judgment is entered must pay the amount that exceeds the plaintiff's actual damages, costs, and reasonable attorney's fees to the clerk of the court where the action is pending.

The clerk of the court must pay to the plaintiff 75% of the payment and pay the remaining 25% to the Treasurer of State who must deposit the funds in the Violent Crime Victims Compensation Fund. As of January 4, 2007, the fund had a balance of \$1,476.

The bill applies to a cause of action that arises after June 30, 2007.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures* above.

**State Agencies Affected:** Treasurer of State; State Courts.

**Local Agencies Affected:** Clerk of the Court.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.